

Submit 1 Copy To Appropriate District Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-40448
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Acid Gas Injection		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator: AGAVE ENERGY COMPANY		6. State Oil & Gas Lease No. NMLC063798
3. Address of Operator 105 S. FOURTH STREET ARTESIA, NM 88210		7. Lease Name or Unit Agreement Name AGAVE RED HILLS
4. Well Location Unit Letter <u>1600</u> feet from the south line and <u>150</u> feet from the east line Section <u>13</u> Township <u>24 S</u> Range <u>33 E</u> NMPM, LEA County		8. Well Number AGI #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3580 GL		9. OGRID Number
		10. Pool name or Wildcat EXPLORATORY CHERRY CANYON

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

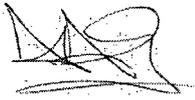
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum spud Agave Red Hills AGI #1 at approximately 2100 hrs. on October 23, 2013.
 Proposed TD is 6,600'.

Spud Date: OCTOBER 23, 2013 Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE: PRESIDENT, GEOLEX, INC. DATE: OCTOBER 23, 2013

Type or print name: ALBERTO A. GUTIERREZ

APPROVED BY:  TITLE: DIETMAR DATE: 10-24-2013

Conditions of Approval (if any):

OCT 24 2013